

Company registration number: 01600678

Charity registration number: 283877

Stallcombe House

(A company limited by guarantee)

Group Annual Report and Financial Statements

for the Year Ended 31 December 2018

Redwoods
Statutory Auditors
2 Clyst Works
Clyst Road
Topsham
Exeter
EX3 0DB

Stallcombe House

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Stallcombe House

Strategic Report for the Year Ended 31 December 2018

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 December 2018, in compliance with s414C of the Companies Act 2006.

Achievements and performance

Review of charitable activities

The charity's principle objective continued to be that of the promotion for the public benefit of providing a supportive living community for adults with learning difficulties best met by participating in a rural environment providing purposeful activities on the farm and gardens. In addition the charity has continued to develop its provision of day services thus enabling more East Devon adults with learning difficulties to benefit from this unique environment. When planning activities the trustees have considered the Charity Commission guidance on public benefit.

Fundraising performance against activities

Fundraising is actively engaged to supplement the charity's income from statutory bodies and service users. A major part of this is the annual 'Open day / Fete', arts and craft items produced in the Weavery and any surplus produce from the gardens are sold through local outlets. The charity is also grateful to the Family and Friends of Stallcombe House along with helpers and volunteers who contribute to making Stallcombe House such a great place for the charity's clients.

Stallcombe House

Strategic Report for the Year Ended 31 December 2018 (continued)

Investment performance against activities

During the year the investment in the solar array continued to perform as expected. This investment delivers funds back to the charity in three ways, income from Government tariffs, interest payments and rent. In 2018 it delivered £9,341 in interest and rent, loan repayment of £20,000, plus savings of approx. £10,000 over buying from the National Grid.

The owner of a neighbouring property, Sunnyhay, approached the Board and again offered them first refusal on the purchase of the site. After much investigation and discussion, it was decided not to proceed but to concentrate on developing the existing Stallcombe site. The Board is now concentrating on the upgrading and modernisation of the accommodation at Stallcombe House and Willows. To this end it was agreed to appoint a firm of architects to draw up plans.

The trustees are in the process of determining the level of reserves required to cover modernisation plans and a further sum required as an operational surplus. The balance will then be invested in accordance with the new investment policy agreed.

Factors relevant to achievement

The care industry in general continues to struggle and cope with the impact of the living wage, workplace pensions and continued challenges with local authority funding. To address and manage these challenges the trustees and the management team use a 5 year rolling financial plan. The management team continue to review funding arrangements and where any have fallen below market rates or the individual care requirements have increased we actively seek increased funding.

We continue to invest in our facilities and have started to capture the requirements for a multi-year programme to modernise and bring all our accommodation up to the current CQC recommended standards. Initial work commenced in 2018.

A lot of the outdoor activities we provide at Stallcombe are only possible because we have a total 'ECO' ethos. Our 'ECO' investment minimise the cost of running the farm and gardens, we have our own water bore, we are self-sufficient in compost, we process our waste water etc. Stallcombe House uses around 200,000 Kwh of electricity each year, our Solar Array generates around 230,000 Kwh, so we are exporting 15% more green energy than we use ourselves.

Stallcombe House

Strategic Report for the Year Ended 31 December 2018 (continued)

Key financial performance indicators

	Unit	2018	2017
Net (expenditure)/income	£	(6,842)	238,402
Unrestricted reserve	£	4,112,842	4,120,869

Financial review

The financial position is considered to be satisfactory given the reasons behind the deficit for the year stated below.

There were exceptional items in the year that gave rise to the small deficit. These were:

- staff redundancy costs of £60,000.
- part of the charity's activities is to provide high dependency care for individuals and in the year there was a unfilled placement which resulted in loss of income of approximately £145,000. This placement was filled early in 2019.

The trustees aim is to deliver a surplus of 8% to 10% each year, subject to maximum occupancy, thus providing sufficient funds to invest in the continued success of the charity. During the year the trustees have agreed the level of reserves it considers appropriate to maintain the high level of care delivered.

Due to ongoing cuts in funding for local authorities and changes to commissioning strategies it is becoming increasing difficult to fill placements when vacancies become available. We will therefore be reviewing our 5 year plan and adjust this to reflect these commissioning strategies.

Policy on reserves

The fund balances in the balance sheet on page 16 represent reserves. The level of our reserves is determined by balancing two objectives: maintaining sufficient reserves to enable us to carry on our work, and ensuring we maximise the resources used for charitable purposes. Our reserves level therefore needs to be adequate to allow us to address potential losses that might arise from our charitable activities and other activities. It also needs to give us sufficient time to adjust our strategy to meet changing circumstances without unnecessarily removing funds from addressing our charitable purposes.

The Board of Trustees assesses the risks Stallcombe House could be exposed to and the appropriate level of reserves that we should maintain. The current assessment is that £600,000 of reserves should be maintained to mitigate identified risks. The basis of this is to keep the operational bank account balances at an average of £200,000. A provision of £400,000, to include £250,000 for loss of revenue due to vacancies and a further £150,000 to cover unplanned work to the estate and buildings.

The balance sheet shows unrestricted reserves — that is, reserves that do not carry any restrictions on how they can be used — of £4,112,842. In assessing our level of free reserves against the target range, we exclude the fixed assets of £2,167,149 (2017: £2,224,928) because this cannot quickly be realised. In addition funds have been earmarked for future work and projects and these are specified in “Activities planned to achieve aims”. These five elements represent plans and intentions that are incorporated into the charity’s updated five year plan where a funding requirement of circa £1,000,000 has been allocated.

In addition the charity has restricted reserves of £32,983 (2017 - £31,798).

We regularly review the actual level of reserves, and would take action to bring it back in line with the target if the level looked likely to move significantly outside the target range.

Stallcombe House

Strategic Report for the Year Ended 31 December 2018 (continued)

Principal funding sources

Funding for the charity is received regularly on a four weekly basis from the local authorities. The amounts involved are governed by the number of residents in situ at any time. Subject to voids, future cash flow is known with a degree of certainty and monthly budgets are prepared.

Investment policy and objectives

Under the Memorandum and Articles of association, the charity has the power to make investments which the trustees see fit.

Plans for future periods

Aims and key objectives for future periods

Aims and key objectives for future periods

Our priority, as always, is maintain the current high quality of service we provide to our whole client group. We now have 33 residents and around 30 clients who use our day placement services.

Activities planned to achieve aims

Activities planned to achieve aims

It is the intention of the Board to prepare and implement a 5 year facilities development plan in order to develop the Stallcombe site to reach better standards, i.e all rooms to be ensuite, kitchen improvements and a modern suite of office among other improvements. Architects have now been appointed.

As the care policy is moving away from larger residential facilities, the Board also intends to consider the provision of Supported Living in some form.

It is also the Board's intention to appoint a financial advisor and update the investment policy, and implement an investment strategy for medium term funds.

The strategic report was approved by the trustees of the charity on 24 September 2019 and signed on its behalf by:



Mrs A E Liverton
Trustee

Stallcombe House

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2018.

Objectives and activities

Objects and aims

The charity's principle objective is the promotion for the public benefit of providing a supportive living community for adults with learning needs best met by participating in a rural environment providing purposeful activities on the farm and gardens.

Our priority, as always, is to maintain a high quality of service to our whole client group.

Objectives, strategies and activities

The charity's main activity is providing a supporting living community. It also provides daycare services, sells excess farm produce that the residents have produced from their activities on the farm and gardens.

Public benefit

When planning activities the trustees have considered the Charity Commission guidance on public benefit. The charity relies on payments for services from local authorities to cover its operating costs. Keeping costs to a minimum is important to us to ensure public funds are well spent.

The charity's beneficiaries are a section of the public comprised of adults with learning difficulties that benefit from Stallcombe's unique rural living and working environment. The care provided at Stallcombe enriches its client's lives by giving them purposeful activities on the farm and gardens and also ensures they receive the care they need to remain safe and happy.

The wider local population also benefits by becoming volunteers for such a worthy charity and joining the great Stallcombe Community spirit.

There is no private benefit flowing from the purpose of the charity.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

Stallcombe is grateful to its team of volunteers for their efforts in supporting our community.

The continued financial donations from the Family and Friends of Stallcombe House, are much appreciated.

Structure, governance and management

Nature of governing document

The charity is limited by guarantee the governing document being the memorandum and articles of association. This document has been updated and was adopted at a Special General Meeting of the charity on 12th June 2018.

Stallcombe House

Trustees' Report (continued)

Recruitment and appointment of trustees

Trustees are appointed at the annual general meeting of the charity, in accords with the articles that state that there shall not be less than three and no more than nine trustees of whom no more than three shall be user trustees. Casual vacancies during the year can be filled by co-opted trustees who must be formally appointed at the next annual general meeting.

Five new trustees were appointed to strengthen the Board, one a "user" trustee and one an elected staff trustee. This followed a change in the Articles of Governance as agreed by the Charity Commission.

The articles require that one third of the trustees retire by rotation in each year.

Induction and training of trustees

Trustees are recruited through personal recommendation to the existing trustees. New trustees are provided with the trustees handbook providing extensive detail of the operation and management of the charity. At the earliest convenient meeting they are introduced to the other trustees and key members of staff.

The charity has appropriate trustees indemnity insurance in place.

Arrangements for setting key management personnel remuneration

During the year the two senior managers retired. The trustees revised the job descriptions and appointed a Head of Charity and a Head of Care. Since the appointments, various changes have been implemented and a reorgainsation of staff roles undertaken.

The trustees decide on their remuneration, usually on an annual basis with regard to staff performance and current pay policies of similar organisations.

Organisational structure

The charity is organised where board meetings are held four times a year. In addition to this, a subset of trustees attend a monthly management meeting where a review of the operation takes place and subject to the meeting being quorate, minor decisions/expenditures are signed off.

Stallcombe House

Trustees' Report (continued)

Relationships with related parties

Stallcombe Eco Power Ltd

This is a wholly owned trading subsidiary of Stallcombe House.

User Trustees

In the accounting period there were an average of three trustees who have relatives who are beneficiaries of the charity, enjoying the same benefits as unrelated beneficiaries.

Major risks and management of those risks

Key Personnel

Loss of key members of staff through resignation

The trustees manage this risk by ensuring that staff satisfaction is maintained and suitable replacement staff are sourced as required. For more senior positions the trustees work with management to ensure succession plans are in place.

Safeguarding

Risk of harm to clients, reputation or operational damage if appropriate care standards are not met.

The trustees manage this risk by ensuring the care standards achieved meet and sometimes exceed the CQC standards and guidelines.

Funding cuts

As the majority of the charity's income comes from local authorities there is a risk to the charity of imposed funding cuts or withdrawal of funding.

The trustees manage this risk by regular contract negotiations with relevant authorities and highlighting the outstanding care provided by Stallcombe which it would be difficult for other providers to service.

Resident vacancies

Loss of revenue due to resident vacancies.

The trustees manage this risk by ensuring that Stallcombe is well promoted both with Local Authorities and guardians / parents of potential clients.

Unplanned events impacting our estate and buildings

Damage to our estate and buildings due to unplanned events.

The trustees manage this risk by ensuring that the regular maintenance plan is appropriate and meets all foreseen problems. Stallcombe has built up a strong working relationship with local trades so that any unplanned problem can be dealt with in a timely and safe manner.

Stallcombe House

Trustees' Report (continued)

Reference and Administrative Details

Trustees	Mrs A E Liverton C M Retallack Mrs E Wragg J M Sillett (retired 11 September 2018) G D H Pook Mrs E J Johnson (appointed 11 September 2018) Mrs S A Mayhew (appointed 11 September 2018) C G Townroe (appointed 11 September 2018) D Osborne (appointed 11 September 2018 and resigned 11 June 2019)
Senior Management Team	Mr C Thistle, General Manager Mrs C Jarman, Care Manager Ms A Greenaway, Head of Charity Ms S Boulton, Head of Care
Principal Office	Stallcombe House Farm Sanctuary Lane Woodbury Exeter EX5 1EX The charity is incorporated in England & Wales.
Company Registration Number	01600678
Charity Registration Number	283877
Bankers	National Westminster Bank PLC Exmouth 11 Rolle Street Exmouth Devon EX8 1HJ Nationwide Building Society PO Box 3 5-11 St. Georges Street Douglas Isle of Man IM99 1AS

Stallcombe House

Trustees' Report (continued)

Auditor

Redwoods
Statutory Auditors
2 Clyst Works
Clyst Road
Topsham
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EX3 0DB

Financial instruments

Objectives and policies

The Group only has basic financial instruments and therefore limits its exposure to risk.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over several government authorities.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group keeps sufficient unrestricted reserves in readily accessible bank accounts.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Creditor payment policy

The Group pays all its debts within the agreed payment terms.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 24 September 2019 and signed on its behalf by:



Mrs A E Liverton
Trustee

Stallcombe House

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Stallcombe House for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 24 September 2019 and signed on its behalf by:



Mrs A E Liverton
Trustee

Stallcombe House

Independent Auditor's Report to the Members of Stallcombe House

Opinion

We have audited the financial statements of Stallcombe House (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2018 and of the group's results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Independent Auditor's Report to the Members of Stallcombe House (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 10), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Stallcombe House

Independent Auditor's Report to the Members of Stallcombe House (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Keith David Tuvey (Senior Statutory Auditor)
For and on behalf of Redwoods, Statutory Auditor

2 Clyst Works
Clyst Road
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Exeter
EX3 0DB

24 September 2019

Stallcombe House

Consolidated Statement of Financial Activities for the Year Ended 31 December 2018 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
Income and Endowments from:				
Donations and legacies	2	1,772	14,211	15,983
Charitable activities	3	2,311,659	-	2,311,659
Other trading activities	4	52,935	-	52,935
Investment income	5	5,901	-	5,901
Other income	6	29,902	-	29,902
Total income		<u>2,402,169</u>	<u>14,211</u>	<u>2,416,380</u>
Expenditure on:				
Raising funds	7	(67,404)	-	(67,404)
Charitable activities	8	<u>(2,347,566)</u>	<u>(8,252)</u>	<u>(2,355,818)</u>
Total expenditure		<u>(2,414,970)</u>	<u>(8,252)</u>	<u>(2,423,222)</u>
Net (expenditure)/income		(12,801)	5,959	(6,842)
Transfers between funds		<u>4,774</u>	<u>(4,774)</u>	<u>-</u>
Net movement in funds		(8,027)	1,185	(6,842)
Reconciliation of funds				
Total funds brought forward		<u>4,120,869</u>	<u>31,798</u>	<u>4,152,667</u>
Total funds carried forward	23	<u><u>4,112,842</u></u>	<u><u>32,983</u></u>	<u><u>4,145,825</u></u>

Stallcombe House

Consolidated Statement of Financial Activities for the Year Ended 31 December 2018 (continued) (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income and Endowments from:				
Donations and legacies	2	862	11,843	12,705
Charitable activities	3	2,382,662	-	2,382,662
Other trading activities	4	52,838	-	52,838
Investment income	5	4,277	-	4,277
Other income	6	32,639	-	32,639
Total income		<u>2,473,278</u>	<u>11,843</u>	<u>2,485,121</u>
Expenditure on:				
Raising funds	7	(55,189)	-	(55,189)
Charitable activities	8	<u>(2,187,289)</u>	<u>(4,241)</u>	<u>(2,191,530)</u>
Total expenditure		<u>(2,242,478)</u>	<u>(4,241)</u>	<u>(2,246,719)</u>
Net income		230,800	7,602	238,402
Transfers between funds		<u>404</u>	<u>(404)</u>	<u>-</u>
Net movement in funds		231,204	7,198	238,402
Reconciliation of funds				
Total funds brought forward		<u>3,889,665</u>	<u>24,600</u>	<u>3,914,265</u>
Total funds carried forward	23	<u><u>4,120,869</u></u>	<u><u>31,798</u></u>	<u><u>4,152,667</u></u>

All of the group's activities derive from continuing operations during the above two periods.


Stallcombe House

(Registration number: 01600678)

Consolidated Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	15	2,167,149	2,224,928
Current assets			
Stocks	17	12,638	11,557
Debtors	18	348,431	239,302
Cash at bank and in hand		<u>1,719,162</u>	<u>1,786,451</u>
		2,080,231	2,037,310
Creditors: Amounts falling due within one year	19	<u>(101,555)</u>	<u>(109,571)</u>
Net current assets		<u>1,978,676</u>	<u>1,927,739</u>
Net assets		<u>4,145,825</u>	<u>4,152,667</u>
Funds of the group:			
Restricted funds		32,983	31,798
Unrestricted income funds			
Unrestricted funds		<u>4,112,842</u>	<u>4,120,869</u>
Total funds	23	<u>4,145,825</u>	<u>4,152,667</u>

The financial statements on pages 14 to 46 were approved by the trustees, and authorised for issue on 24 September 2019 and signed on their behalf by:



 Mrs A E Liverton
 Trustee

Stallcombe House

(Registration number: 01600678)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	15	1,806,217	1,842,554
Investments	16	<u>100</u>	<u>100</u>
		<u>1,806,317</u>	<u>1,842,654</u>
Current assets			
Stocks	17	12,638	11,557
Debtors	18		
- due within one year		375,437	262,964
- due after one year		412,635	432,635
Cash at bank and in hand		<u>1,664,349</u>	<u>1,736,003</u>
		2,465,059	2,443,159
Creditors: Amounts falling due within one year	19	<u>(103,714)</u>	<u>(110,739)</u>
Net current assets		<u>2,361,345</u>	<u>2,332,420</u>
Net assets		<u>4,167,662</u>	<u>4,175,074</u>
Funds of the charity:			
Restricted funds		32,983	31,798
Unrestricted income funds			
Unrestricted funds		<u>4,134,679</u>	<u>4,143,276</u>
Total funds	23	<u>4,167,662</u>	<u>4,175,074</u>

The financial statements on pages 14 to 46 were approved by the trustees, and authorised for issue on 24 September 2019 and signed on their behalf by:



Mrs A E Liverton
Trustee

Stallcombe House

Consolidated Statement of Cash Flows for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (expenditure)/income		(6,842)	238,402
Adjustments to cash flows from non-cash items			
Depreciation	10	107,195	108,548
Investment income	5	(5,901)	(4,277)
Profit on disposal of tangible fixed assets		-	(3,250)
Loss on disposal of fixed assets held for the charity's own use	10	<u>1,556</u>	<u>687</u>
		96,008	340,110
Working capital adjustments			
Increase in stocks	17	(1,081)	(2,382)
Increase in debtors	18	(109,129)	(54,891)
(Decrease)/increase in creditors	19	<u>(8,016)</u>	<u>13,658</u>
Net cash flows from operating activities		<u>(22,218)</u>	<u>296,495</u>
Cash flows from investing activities			
Interest receivable and similar income	5	5,901	4,277
Purchase of tangible fixed assets	15	(50,972)	(64,966)
Sale of tangible fixed assets		<u>-</u>	<u>3,730</u>
Net cash flows from investing activities		<u>(45,071)</u>	<u>(56,959)</u>
Net (decrease)/increase in cash and cash equivalents		(67,289)	239,536
Cash and cash equivalents at 1 January		<u>1,786,451</u>	<u>1,546,915</u>
Cash and cash equivalents at 31 December		<u><u>1,719,162</u></u>	<u><u>1,786,451</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Stallcombe House

Statement of Cash Flows for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (expenditure)/income		(7,412)	238,115
Adjustments to cash flows from non-cash items			
Depreciation	10	85,753	87,106
Investment income	5	(15,042)	(12,325)
Loss on disposal of fixed assets held for the charity's own use	10	1,556	687
		<u>64,855</u>	<u>313,583</u>
Working capital adjustments			
Increase in stocks	17	(1,081)	(2,382)
Increase in debtors	18	(111,380)	(56,322)
(Decrease)/increase in creditors	19	(7,025)	15,842
Net cash flows from operating activities		<u>(54,631)</u>	<u>270,721</u>
Cash flows from investing activities			
Interest receivable and similar income	5	15,042	12,325
Purchase of tangible fixed assets	15	(50,972)	(64,966)
Sale of tangible fixed assets		-	480
Receipts from the repayment of loans to other entities		18,907	21,396
Net cash flows from investing activities		<u>(17,023)</u>	<u>(30,765)</u>
Net (decrease)/increase in cash and cash equivalents		(71,654)	239,956
Cash and cash equivalents at 1 January		<u>1,736,003</u>	<u>1,496,047</u>
Cash and cash equivalents at 31 December		<u><u>1,664,349</u></u>	<u><u>1,736,003</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Stallcombe House meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Group's financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

The charity's subsidiary has been set up to generate electricity using a solar array. All profits of the subsidiary will be gift aided back to the charity to promote its main aims.

The presentation currency is £ sterling and the accounts have been rounded to £1.

The charity is incorporated in England and Wales.

Its registered office is shown in the Trustees Report.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity had a deficit for the financial year of £7,412. (2017- surplus £238,115).

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

1 Accounting policies (continued)

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Summary of disclosure exemptions

Stallcombe House meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

1 Accounting policies (continued)

Judgements

In the application of the charity's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty

Depreciation of tangible fixed assets. This is by nature an estimate and the actual market values of assets may be different to the values presented in the accounts. The fixed assets are shown in the financial statements. The carrying amount is £2,167,149 (2017 -£2,224,928).

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably. Income is recognised after trade discounts, other sales taxes and net of VAT where applicable.

Donations and legacies

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Other trading activities

Shop income and income derived from events is recognised as earned (that is as the related goods and services are provided).

Investment income

Investment income is recognised on a receivable basis.

Charitable activities

Income from charitable activities includes income recognised as earned (as the related goods and services are provided) under contract.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. Expenditure is classified under the following activity headings:

Raising funds

Comprise the farm and open day costs.

Charitable activities

Includes the care costs of the residents and daycare visitors, other activities undertaken to further the main purposes of the charity and their associated support costs.

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

1 Accounting policies (continued)

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, administration and governance costs which support the trusts main aims and activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 8.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Feed in tariff/renewable heating incentive income is recognised as earned (that is, as the power is produced).

Taxation

The Group is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Group is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold interest in land and buildings	2% straight line
Solar panels (Solar array)	4% straight line (5% straight line)
Bio-mass boiler	5% straight line
Farm plant	20% reducing balance
Fixtures, fittings and equipment	20% reducing balance
Motor vehicles	20% reducing balance
Computer equipment	25% straight line

Impairment of fixed assets

Fixed assets are regularly reviewed for impairment.

The Group has adopted a policy to write off items of farm plant, fixtures, fittings and equipment and computer equipment over 12 years old.

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

1 Accounting policies (continued)

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for farm products sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently reviewed for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Other debtors include the amounts due in respect of residents fees.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date.

Trade creditors are recognised at their settlement amount after allowing for any trade discounts due.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The Group offers a defined contribution pension scheme to its employees.

Financial instruments

Classification

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Recognition and measurement

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

1 Accounting policies (continued)

Impairment

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment, if objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets at cost less impairment, the impairment loss is measured as the difference between the assets carrying amount and the best estimate, which is an approximation, of the amount that the charity would receive for the asset if it were to be sold at the reporting date.

Debt instruments

The charity has made a loan to its subsidiary that qualifies as a Public Benefit Entity Concessionary Loan under the requirements of FRS102.

The loan has initially been measured at the amount paid in the charity's balance sheet. The inter group loan has been eliminated on consolidation.

In subsequent years the carrying amount of the loan will be adjusted to reflect any accrued interest receivable or any impairment losses.

The terms of the loan provide for interest to be payable to the charity at a rate of 1.5% above bank base rate. The loan is repayable over a period of 25 years.

Investments

Investments in subsidiaries are measured at cost less impairment in the charity's balance sheet.

Derivative financial instruments

The group does not use derivative financial instruments.

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	General £	£	£	£
Donations and legacies;				
Appeals and donations	1,772	14,211	15,983	12,705
	<u>1,772</u>	<u>14,211</u>	<u>15,983</u>	<u>12,705</u>

3 Income from charitable activities

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Residents Fees	2,265,945	2,265,945	2,330,694
Daycare	45,714	45,714	51,968
	<u>2,311,659</u>	<u>2,311,659</u>	<u>2,382,662</u>

4 Income from other trading activities

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Trading income;			
Farm income	26,942	26,942	25,958
Craft sales	1,641	1,641	2,321
Events income;			
Open day income	5,128	5,128	7,300
Feed in tariff/renewable heating incentive	19,224	19,224	17,259
	<u>52,935</u>	<u>52,935</u>	<u>52,838</u>

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

5 Investment income

	Unrestricted funds		
	General	Total	Total
	£	2018	2017
		£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	5,901	5,901	4,277

6 Other income

	Unrestricted funds		
	General	Total	Total
	£	2018	2017
		£	£
Income from trading subsidiary	29,902	29,902	29,119
Gains on sale of tangible fixed assets for group's own use	-	-	3,520
	29,902	29,902	32,639

7 Expenditure on raising funds

a) Costs of trading activities

		Unrestricted funds		
		General	Total	Total
	Note	£	2018	2017
			£	£
Farm trading costs		18,966	18,966	13,624
Trading subsidiary costs		45,214	45,214	39,483
Open day costs		3,224	3,224	2,082
		67,404	67,404	55,189

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

8 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2018 £	Total 2017 £
Residents Fees	2,097,728	223,252	2,320,980	2,161,728
Daycare	19,641	-	19,641	14,929
	<u>2,117,369</u>	<u>223,252</u>	<u>2,340,621</u>	<u>2,176,657</u>

£2,332,369 (2017 - £2,172,416) of the above expenditure was attributable to unrestricted funds and £8,252 (2017 - £4,241) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £15,197 (2017 - £14,873) which relate directly to charitable activities. See note 9 for further details.

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

9 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds			
	General	Restricted	Total	Total
	£	funds	2018	2017
		£	£	£
Support costs allocated to charitable	221,229	2,023	223,252	209,739
Support costs allocated to governance	1,344	-	1,344	1,361
	<u>222,573</u>	<u>2,023</u>	<u>224,596</u>	<u>211,100</u>

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

9 Analysis of governance and support costs (continued)

Support costs allocated to charitable activities

	Governance costs £	Finance costs £	Staff costs £	Administration costs £	Premises costs including depreciation £	Other support costs £	Total 2018 £	Total 2017 £
Payroll and other services	-	-	-	-	-	3,816	3,816	15,410
Insurance	-	-	-	-	11,387	-	11,387	9,247
Trustee insurance	1,331	-	-	-	-	-	1,331	1,348
Sundry expenses	13	-	-	-	-	-	13	13
Premises expenses	-	-	-	-	31,603	-	31,603	25,173
Property and equipment repairs	-	-	-	-	62,679	-	62,679	39,289
Office expenses	-	-	-	16,269	-	-	16,269	20,127
Print, post and stationery	-	-	-	5,503	-	-	5,503	4,856
Training and subscriptions	-	-	18,796	-	-	-	18,796	11,195
Equipment hire	-	-	-	-	-	7,489	7,489	6,843
Motor expenses	-	-	-	-	-	24,571	24,571	21,487
Professional and registration fees	-	-	-	-	-	38,380	38,380	53,385
Bank charges	-	2,759	-	-	-	-	2,759	2,727
	<u>1,344</u>	<u>2,759</u>	<u>18,796</u>	<u>21,772</u>	<u>105,669</u>	<u>74,256</u>	<u>224,596</u>	<u>211,100</u>

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

9 Analysis of governance and support costs (continued)

Governance costs

	Unrestricted funds		
	General	Total	Total
	£	2018 £	2017 £
Audit fees			
Audit of the financial statements	3,824	3,824	3,653
Other fees paid to auditors	9,063	9,063	8,922
Trustees remuneration and expenses	966	966	937
Allocated support costs	1,344	1,344	1,361
	<u>15,197</u>	<u>15,197</u>	<u>14,873</u>

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

10 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2018 £	2017 £
Operating leases - plant and machinery	7,489	6,843
Profit on disposal of tangible fixed assets	-	(3,250)
Loss on disposal of fixed assets held for the group's own use	1,556	687
Depreciation of fixed assets	85,753	87,106
Depreciation of trading subsidiary assets	<u>21,442</u>	<u>21,442</u>

11 Trustees remuneration and expenses

During the year the group made the following transactions with trustees:

J M Sillett

£423 (2017: £350) of expenses were reimbursed to J M Sillett during the year.

Reimbursement for trustee meeting costs.

At the balance sheet date the amount due to J M Sillett was £Nil (2017: £10).

Mrs A E Liverton

£91 (2017: £123) of expenses were reimbursed to Mrs A E Liverton during the year.

Reimbursement for trustee meeting costs.

At the balance sheet date the amount due to Mrs A E Liverton was £41 (2017: £18).

C M Retallack

£390 (2017: £192) of expenses were reimbursed to C M Retallack during the year.

Reimbursement for trustee meeting costs.

At the balance sheet date the amount due to C M Retallack was £Nil (2017: £192).

Mrs E Wragg

£62 (2017: £127) of expenses were reimbursed to Mrs E Wragg during the year.

Reimbursement for trustee meeting costs.

At the balance sheet date the amount due to Mrs E Wragg was £Nil (2017: £4).

D Osborne

Is the nominated staff trustee. He was an employee prior to his appointment as a trustee and receives no additional remuneration for his role as a trustee of the charity.

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any other benefits from the charity during the year.

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

12 Staff costs

The aggregate payroll costs were as follows:

	2018	2017
	£	£
Staff costs during the year were:		
Wages and salaries	1,626,118	1,518,287
Social security costs	112,133	110,367
Pension costs	27,755	22,991
Other staff costs	78,066	56,002
	<u>1,844,072</u>	<u>1,707,647</u>

The average monthly head count was 86 staff (2016 - 84 staff). The monthly average number of persons (including senior management team) employed by the group during the year expressed as full time equivalents was as follows:

	2018	2017
	No	No
Charitable activities	<u>76</u>	<u>75</u>

69 (2017 - 69) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £27,755 (2017 - £22,991).

During the year, the group made redundancy and/or termination payments which totalled £60,000 (2017 - £Nil).

The number of employees whose emoluments fell within the following bands was:

	2018
	No
£60,001 - £70,000	<u>2</u>

The total employee benefits of the key management personnel of the group were £166,554 (2017 - £97,607).

The General Manager, as the highest paid member of staff, received benefits totalling £68,028 (2017 - £51,555).

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

13 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>3,824</u>	<u>3,653</u>
Other fees to auditors		
All other non-audit services	<u>9,063</u>	<u>8,922</u>

14 Taxation

The group comprises a registered charity which is therefore exempt from taxation and a trading subsidiary which is liable to corporation tax on any profits not gift aided to the charity.

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

15 Tangible fixed assets

Group

	Freehold Land and buildings £	Farm Plant £	Motor vehicles £	Computer equipment £	Solar panels and bio-mass boiler £	Fixtures, fittings and equipment £	Total £
Cost							
At 1 January 2018	2,245,161	112,517	35,220	27,802	551,886	167,597	3,140,183
Additions	15,004	761	11,700	6,709	-	16,798	50,972
Disposals	-	(5,310)	(5,995)	(261)	-	(6,621)	(18,187)
At 31 December 2018	<u>2,260,165</u>	<u>107,968</u>	<u>40,925</u>	<u>34,250</u>	<u>551,886</u>	<u>177,774</u>	<u>3,172,968</u>
Depreciation							
At 1 January 2018	633,375	55,824	14,107	22,562	77,669	111,718	915,255
Charge for the year	42,640	11,418	6,402	4,432	27,445	14,858	107,195
Eliminated on disposals	-	(4,945)	(5,190)	(261)	-	(6,235)	(16,631)
At 31 December 2018	<u>676,015</u>	<u>62,297</u>	<u>15,319</u>	<u>26,733</u>	<u>105,114</u>	<u>120,341</u>	<u>1,005,819</u>
Net book value							
At 31 December 2018	<u>1,584,150</u>	<u>45,671</u>	<u>25,606</u>	<u>7,517</u>	<u>446,772</u>	<u>57,433</u>	<u>2,167,149</u>
At 31 December 2017	<u>1,611,786</u>	<u>56,693</u>	<u>21,113</u>	<u>5,240</u>	<u>474,217</u>	<u>55,879</u>	<u>2,224,928</u>

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

15 Tangible fixed assets (continued)

Charity

	Freehold Land and buildings £	Farm Plant £	Motor vehicles £	Computer equipment £	Solar panels and bio-mass boiler £	Fixtures, fittings and equipment £	Total £
Cost							
At 1 January 2018	2,245,161	112,517	35,220	27,802	123,054	167,597	2,711,351
Additions	15,004	761	11,700	6,709	-	16,798	50,972
Disposals	-	(5,310)	(5,995)	(261)	-	(6,621)	(18,187)
At 31 December 2018	<u>2,260,165</u>	<u>107,968</u>	<u>40,925</u>	<u>34,250</u>	<u>123,054</u>	<u>177,774</u>	<u>2,744,136</u>
Depreciation							
At 1 January 2018	633,375	55,824	14,107	22,562	31,211	111,718	868,797
Charge for the year	42,640	11,418	6,402	4,432	6,003	14,858	85,753
Eliminated on disposals	-	(4,945)	(5,190)	(261)	-	(6,235)	(16,631)
At 31 December 2018	<u>676,015</u>	<u>62,297</u>	<u>15,319</u>	<u>26,733</u>	<u>37,214</u>	<u>120,341</u>	<u>937,919</u>
Net book value							
At 31 December 2018	<u>1,584,150</u>	<u>45,671</u>	<u>25,606</u>	<u>7,517</u>	<u>85,840</u>	<u>57,433</u>	<u>1,806,217</u>
At 31 December 2017	<u>1,611,786</u>	<u>56,693</u>	<u>21,113</u>	<u>5,240</u>	<u>91,843</u>	<u>55,879</u>	<u>1,842,554</u>

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

16 Fixed asset investments

Charity

	2018 £	2017 £
Shares in group undertakings and participating interests	100	100

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2018	100	100
At 31 December 2018	100	100
Net book value		
At 31 December 2018	100	100
At 31 December 2017	100	100

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2018	2017	
Subsidiary undertakings					
Stallcombe Eco Power Ltd	England and Wales	Ordinary Shares	100%	100%	Generation of electricity

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

16 Fixed asset investments (continued)

Subsidiaries

The profit for the financial period of Stallcombe Eco Power Ltd was £570 (2017 - £287) and the aggregate amount of capital and reserves at the end of the period was £(21,737) (2017 - £(22,307)).

Company number 9559743. The company was incorporated on the 24th April 2015.

Turnover for the year ended 31st December 2018 was £56,540 (2017 - £49,633).

17 Stock

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Stocks	12,638	11,557	12,638	11,557

18 Debtors

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	976	3,258	-	-
Due from group undertakings	-	-	441,776	460,683
Prepayments	63,736	26,620	63,736	26,005
Other debtors	283,719	209,424	282,560	208,911
	<u>348,431</u>	<u>239,302</u>	<u>788,072</u>	<u>695,599</u>

Charity debtors includes £412,635 (2017: £432,635) receivable after more than one year.

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

19 Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	4,500	3,404	-	-
Other taxation and social security	34,647	40,948	34,647	40,948
Other creditors	40,919	47,737	49,160	53,889
Accruals	21,489	17,482	19,907	15,902
	<u>101,555</u>	<u>109,571</u>	<u>103,714</u>	<u>110,739</u>

20 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Other				
Between one and five years	<u>8,155</u>	<u>9,293</u>	<u>8,155</u>	<u>9,293</u>

21 Charity status

The charity is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Stallcombe House Farm
Sanctuary Lane
Woodbury
Exeter
EX5 1EX

These financial statements were authorised for issue by the trustees on 24 September 2019.

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

22 Commitments

Group

Pension commitments

There are no pension commitments for the subsidiary.

Current pension contributions for the charity are owed at the year end and paid the following month. Commitments provided for in the accounts amounted to £6,401 (2017 - £5,188). Commitments not provided for in the accounts amounted to £Nil (2017 - £Nil). £Nil relates to pension commitments related to pensions payable to past directors (2017 - £Nil).

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

23 Funds

Group

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2018 £
Unrestricted funds					
<i>General</i>					
Unrestricted funds	4,120,869	2,402,169	(2,414,970)	4,774	4,112,842
Restricted funds					
Social fund	25,446	8,942	(6,229)	-	28,159
Willows fund	354	5,269	(2,023)	(3,600)	-
Equipment fund	1,402	-	-	-	1,402
Computer fund	4,596	-	-	(1,174)	3,422
Total restricted funds	<u>31,798</u>	<u>14,211</u>	<u>(8,252)</u>	<u>(4,774)</u>	<u>32,983</u>
Total funds	<u>4,152,667</u>	<u>2,416,380</u>	<u>(2,423,222)</u>	<u>-</u>	<u>4,145,825</u>
	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2017 £
Unrestricted funds					
<i>General</i>					
Unrestricted funds	3,889,665	2,473,278	(2,242,478)	404	4,120,869
Restricted funds					
Social fund	22,844	6,843	(4,241)	-	25,446
Willows fund	354	-	-	-	354
Equipment fund	1,402	-	-	-	1,402
Computer fund	-	5,000	-	(404)	4,596
Total restricted funds	<u>24,600</u>	<u>11,843</u>	<u>(4,241)</u>	<u>(404)</u>	<u>31,798</u>
Total funds	<u>3,914,265</u>	<u>2,485,121</u>	<u>(2,246,719)</u>	<u>-</u>	<u>4,152,667</u>

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

23 Funds (continued)

Charity

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2018 £
Unrestricted funds					
<i>General</i>					
Unrestricted Fund	4,143,276	2,381,608	(2,394,979)	4,774	4,134,679
Restricted funds					
Social Fund	25,446	8,942	(6,229)	-	28,159
Willows Fund	354	5,269	(2,023)	(3,600)	-
Equipment Fund	1,402	-	-	-	1,402
Computer Fund	4,596	-	-	(1,174)	3,422
Total restricted funds	<u>31,798</u>	<u>14,211</u>	<u>(8,252)</u>	<u>(4,774)</u>	<u>32,983</u>
Total funds	<u>4,175,074</u>	<u>2,395,819</u>	<u>(2,403,231)</u>	<u>-</u>	<u>4,167,662</u>
	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2017 £
Unrestricted funds					
<i>General</i>					
Unrestricted Fund	3,912,359	2,452,407	(2,221,894)	404	4,143,276
Restricted funds					
Social Fund	22,844	6,843	(4,241)	-	25,446
Willows Fund	354	-	-	-	354
Equipment Fund	1,402	-	-	-	1,402
Computer Fund	-	5,000	-	(404)	4,596
Total restricted funds	<u>24,600</u>	<u>11,843</u>	<u>(4,241)</u>	<u>(404)</u>	<u>31,798</u>
Total funds	<u>3,936,959</u>	<u>2,464,250</u>	<u>(2,226,135)</u>	<u>-</u>	<u>4,175,074</u>

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

23 Funds (continued)

The specific purposes for which the funds are to be applied are as follows:

Social fund - to assist with the payment of social events for the beneficiaries of the charity.

Willows fund - for the building of the unit and for the purchase of equipment required to benefit the beneficiaries of the Willows unit.

Equipment fund - to assist in the purchase of fixed assets for charity use.

Computer fund - to assist in the purchase of computer equipment for charity use.

Restricted funds in the sum of £4,774 committed to the purchase of fixed assets have been expended during the year (2017-£404).

Fixed assets funded from restricted funds become part of the unrestricted funds of the charity, and transfer is shown between the funds.

24 Analysis of net assets between funds

Group

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	2,167,149	-	2,167,149
Current assets	2,043,952	36,279	2,080,231
Current liabilities	(98,259)	(3,296)	(101,555)
Total net assets	<u>4,112,842</u>	<u>32,983</u>	<u>4,145,825</u>

	Unrestricted funds	Restricted funds	Total funds at 31 December 2017
	General £	£	£
Tangible fixed assets	2,224,928	-	2,224,928
Current assets	2,002,062	35,248	2,037,310
Current liabilities	(106,121)	(3,450)	(109,571)
Total net assets	<u>4,120,869</u>	<u>31,798</u>	<u>4,152,667</u>

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

24 Analysis of net assets between funds (continued)

Charity

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	1,806,217	-	1,806,217
Fixed asset investments	100	-	100
Current assets	2,428,780	36,279	2,465,059
Current liabilities	(100,418)	(3,296)	(103,714)
Total net assets	<u>4,134,679</u>	<u>32,983</u>	<u>4,167,662</u>

	Unrestricted funds	Restricted funds	Total funds at 31 December 2017
	General £	£	£
Tangible fixed assets	1,842,554	-	1,842,554
Fixed asset investments	100	-	100
Current assets	2,407,911	35,248	2,443,159
Current liabilities	(107,289)	(3,450)	(110,739)
Total net assets	<u>4,143,276</u>	<u>31,798</u>	<u>4,175,074</u>

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

25 Analysis of net funds

Group

	At 1 January 2018 £	Cash flow £	At 31 December 2018 £
Cash at bank and in hand	1,786,451	(67,289)	1,719,162
Net debt	<u>1,786,451</u>	<u>(67,289)</u>	<u>1,719,162</u>

Group

	At 1 January 2017 £	Cash flow £	At 31 December 2017 £
Cash at bank and in hand	1,546,915	239,536	1,786,451
Net debt	<u>1,546,915</u>	<u>239,536</u>	<u>1,786,451</u>

Charity

	At 1 January 2018 £	Cash flow £	At 31 December 2018 £
Cash at bank and in hand	1,736,003	(71,654)	1,664,349
Net debt	<u>1,736,003</u>	<u>(71,654)</u>	<u>1,664,349</u>

Charity

	At 1 January 2017 £	Cash flow £	At 31 December 2017 £
Cash at bank and in hand	1,496,047	239,956	1,736,003
Net debt	<u>1,496,047</u>	<u>239,956</u>	<u>1,736,003</u>

Stallcombe House

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

26 Financial instruments

Charity

Categorisation of financial instruments

	2018 £	2017 £
Financial assets that are equity instruments measured at cost less impairment	<u>100</u>	<u>100</u>

Items of income, expense, gains or losses

The total interest expense for financial liabilities not measured at fair value through profit or loss is £9,141 (2017 - £8,048).

27 Related party transactions

Group

During the year the group made the following related party transactions:

User trustees

(The user trustees are directors of the charity and have relatives who are beneficiaries of the charity)
The user trustees have relatives that are enjoying the same benefits as unrelated beneficiaries. At the balance sheet date the amount due to/from User trustees was £Nil (2017 - £Nil).

Charity

During the year the charity made the following related party transactions:

User trustees

(The user trustees are directors of the charity and have relatives who are beneficiaries of the charity)
The user trustees have relatives that are enjoying the same benefits as unrelated beneficiaries. At the balance sheet date the amount due to/from User trustees was £Nil (2017 - £Nil).

Stallcombe Eco Power Ltd

(A wholly owned trading subsidiary of the charity)

During the 2015 year the charity made a loan to Stallcombe Eco Power Ltd interest is being charged on this loan at 1.5% above bank base rate.

During the year the charity has purchased electricity from Stallcombe Eco Power Ltd in the sum of £27,790 (2017 - £20,812). At the balance sheet date the amount due from Stallcombe Eco Power Ltd was £433,593 (2017 - £456,933).